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# **Beating Poverty-How-Tos for Have-Nots A Free E-book**

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## **BEATING POVERTY**

### **A How-To for Have-Nots**

by

**Lori Covington**

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## **Beating Poverty**

INTRODUCTION.. 2

A PRACTICAL RESOURCE FOR THOSE WITHOUT MONEY.. 2

CHAPTER ONE.. 6

HOW NOT TO BE POOR, IN TWO LESSONS. 6

CHAPTER TWO.. 10

FOUR RULES TO LIVE BY.. 10

CHAPTER THREE.. 27

YOUR EDUCATION.. 27

CHAPTER FOUR.. 44

A PERSONAL STORY.. 44

CHAPTER FIVE.. 48

UNDERSTANDING MONEY.. 48

CHAPTER SIX.. 57

GETTING GROUNDED, AND STAYING THAT WAY.. 57

INTRODUCTION

A PRACTICAL RESOURCE FOR THOSE WITHOUT MONEY

I decided to write this book when I was hired to write a website on debt reduction. I went looking for new information about how to deal with not having enough money to live on but I simply couldn't find any. It turns out that financial advice isn't written for the truly poor; it's written for the middle-class; people with jobs and bank accounts. In short, for people who don't really need it.

After doing a little research, I realized that every piece of financial advice I had ever read was pure, absolute garbage. The "money management" strategies put out there by financial advisors make some huge assumptions about how much money the reader has, and I know that for myself, for years and years, I wanted to cry every time I read the words, "pay yourself first". If I paid myself first, I wouldn't be able to pay the electric bill. There were literally years when I couldn't afford a decent meal, a pair of shoes that fit, or a new book. There were years when I was cold and even hungry. And I was never even "poor". Not living-in-the-tenement poor, anyway: not sleeping-on-the-streets poor. I came from a middle class background, but when I left home in the high-unemployment Reagan years, my standard of living dropped drastically. I was chronically impoverished, and sometimes I felt desperate.

It's so hard to be poor, and tens of millions of Americans deal with that reality every day. What's unreal is the debt consolidation advice given out free, gratis and at no charge by banks, mortgage lenders, financial advisors and credit counseling agencies. "Pay yourself first! Cut up your credit cards! Never make just the minimum payment!" What these (banks) and well-meaning do-gooders (credit counselors) don't tell you, is that the financial rules were made by banks, specifically to keep poor people from getting some of the billions of dollars that grow daily in the accounts of the rich.

## **What is "Poor"?**

Chances are, if you're poor, you know it: you don't need to ask questions! But there are official levels of "poverty", and they can affect the sort of services you receive. According to the U.S. government's Department of Health and Human Services, a single person who makes less than \$10,210 a year is poor. The limit is a little higher in Alaska and Hawaii, and the department doesn't define poverty for the U.S.' possessions and territories, like Puerto Rico. Right away, the definition of poverty gets hazy, as some agencies consider the limit to be before-tax (gross) income and some use after tax (net) income as the limit.

If you are considered poor by the government, you are eligible for various government funded programs. Ideally, you'll find your way out of poverty and not have to rely for long on such programs, because they have a way of drying up during political changes! The following link will take you to a website where you can find out about programs in all areas—from food to education, health and housing.

[http://www.govbenefits.gov/govbenefits\\_en.portal](http://www.govbenefits.gov/govbenefits_en.portal)

If you're working but underemployed, or if you're receiving child support from an ex-spouse, you may find that you are denied social benefits because you make "too much money" to be considered officially poor. In this case, a smart social worker or accountant can help you figure out what you need to do to keep working and also get some benefits. Sometimes you can consult for free with housing, employment or tax experts who can help you make decisions about saving or hiding your money in order to have more of it at the end of the year. It's a tricky business, and not one I can take on in this book, but if you can find the right person to help you, you may be able to create an income that makes sense.

Contrary to what some rich people may believe, there are very few ways to "work the system" in order to get rich. If you do find ways to "work the system" by completing forms, keeping track of finances and expenses and showing up for things on time, you may just be able to make the system work enough so you can live indoors and eat people food. Not a bad way to spend your time, if you ask me!

Let's have a momentary reality check: if you're trying to live indoors in most cities and making \$11,000 a year, you're not "officially" impoverished, but realistically, you are. If you can't afford the basics (food, housing, medical care and utilities for heating, cooling and water), you are living in poverty, no matter whether the government acknowledges it or not.

## 2007 HHS Poverty Guidelines [Edit](#)

| Persons<br>in Family or Household | 48 Contiguous<br>States and D.C. | Alaska Hawaii |          |
|-----------------------------------|----------------------------------|---------------|----------|
|                                   |                                  |               |          |
| 1                                 | \$10,210                         | \$12,770      | \$11,750 |

|                                 |        |        |        |
|---------------------------------|--------|--------|--------|
| 2                               | 13,690 | 17,120 | 15,750 |
| 3                               | 17,170 | 21,470 | 19,750 |
| 4                               | 20,650 | 25,820 | 23,750 |
| 5                               | 24,130 | 30,170 | 27,750 |
| 6                               | 27,610 | 34,520 | 31,750 |
| 7                               | 31,090 | 38,870 | 35,750 |
| 8                               | 34,570 | 43,220 | 39,750 |
| For each additional person, add | 3,480  | 4,350  | 4,000  |

**SOURCE:** *Federal Register*, Vol. 72, No. 15, January 24, 2007, pp. 3147–3148

## CHAPTER ONE

### HOW NOT TO BE POOR, IN TWO LESSONS

The toughest thing about not being poor happens to be if you start off poor. More than 25% of the children in this country are born into poverty, and the problems that come along with being poor start even before birth. Some moms-to-be can't afford prenatal care, so babies may be more likely to be born with physical problems that might have been prevented if this country, as other civilized nations, provided decent health care to its citizens free of charge. Lack of prenatal care may also mean great big hospital bills after the birth, when mother and child are under the care of medical staff and at the mercy of the hospital billing department. When you've just gone a few thousand dollars into debt after having a child, even months of saving on a minimum-wage job will come to nothing long before the bills are paid.

So, the best way to not be poor is to be born to people with money. Obviously, this is beyond our control. But there are ways to stop poverty from happening to you, just as there are ways to avoid catching a cold, and I want to cover them in this book. It's a multi-prong education, though, because you need ideas that affect your attitudes and decisions making, your belief systems, your behaviors and your planning. It's not a single thing: it's a combination of emotions, thoughts and actions that will eventually remove poverty from your life.

## **Lesson Number One: It's Not Your Fault**

This is sort of a round-about way of telling the first truth about poverty. If you are poor, it's really and truly not your fault. The economic system is set up to keep most people from achieving economic security, and part of the system relies on the fact that a large and impoverished class will provide service to a smaller and moneyed class. No one has to tell you that when you're poor, there are many more boundaries. It's harder to do well in school when you haven't had a decent breakfast or when you can't buy the books. Or when your school is so badly run that the best you can hope for is getting through the day without getting shot in the hallways. It's tough to get a decent job when you didn't finish school or when you don't have a decent interview outfit. It's nearly impossible to pull yourself up by your bootstraps when your soles are worn through.

Our history, in fact, the history of the world has perpetuated the idea that poor people somehow deserve their poverty, but that's because the history, philosophy, newspapers and TV shows are put out by people with money. It's one of the psychological defenses of the rich to believe that people who are poor deserve to be poor: they're less moral, less intelligent, less deserving of good things, sometimes even of adequate things. The reason rich people maintain this fiction in the face of reality is that if poor people deserve their poverty, then rich

people don't have to feel they must do something to alleviate that poverty. The feeling of entitlement means they get to keep their money, which is how rich people stay rich.

A couple of hundred years ago, poor people were sent to prison if they couldn't pay their debts. Prison was a lot worse then, too, since there weren't laws about giving prisoners food or exercise. Many people died in debtors' prison. These days, debtor's prison with modern prison standards of food, cleanliness, exercise and clothing would be a relief to the truly poor, but in the way of the world, now that prison has something to offer, the laws have changed to let the truly poor starve in the street.

Having said that poverty isn't your fault, I'm going to throw in something that looks like a contradiction. If you're poor, it's not your fault. But you don't have to let being poor make you stay poor. You do have some control over the situation. It's not easy and not especially pleasant, but you can do something about it. And you will.

## **Lesson Number Two: You Can Change Your "Fate"**

The American Dream has always been thus: a poor but bright student studies very hard, works after school for twenty years, becomes a doctor or a lawyer, and gets rich. After that, it's all easy: vacations in Hawaii, a beautiful mate, a great house, a nice car. Some people manage to make this dream happen, but it's not a sure-fire thing because life has a nasty habit of getting in the way. How can you study hard while you're working every night to pay for your books? How can you stay awake in class when you haven't even had breakfast? And how many need-based scholarships are out there for students who do well, but who can't get the straight A's because they just don't have the time to study in order to ace the test? Sure, there are scholarships and fellowships out there, but you would be

surprised to see how few of them are based on the economic need of the student. Scholarships have a truly American way of enriching the lives of students whose parents pay their tuition so they don't have to work a couple of part time jobs to pay for their room and board. Most poor students won't become doctors or lawyers: they just don't have the time.

But that doesn't mean you can't succeed. You can work your way out of poverty, even grinding poverty, and you don't have to figure in ten years of medical school to do it. Immigrants have always told the story of working terribly hard so their children can "have a better life than I did". But you don't have to trudge your days away in poverty just hoping for the day your child makes it out. There are lots of ways of stopping poverty right now, in your lifetime, so that when your kids grow up, you have still lived your life the way you wanted to.

The statistics about poverty are depressing. Poor people tend to stay poor, just as rich people tend to stay rich. But it's not because poor people are lazy (far from it) or rich people are so industrious (they're not). It's because of inertia: things tend to stay the way they are. Poor kids go to crummy, underfunded schools where they can't get a good education because they're busy just staying alive. Crummy schools mean never making it into college. Poor kids leave home without breakfast, eat a cheap, junk-food lunch, and maybe come home to an empty house because Mom and Dad are out trying to make some sort of living. Poor kids, when they live in houses, live in houses that are colder in winter and hotter in summer, and their clothes may not be enough to keep them comfortable, so they get sick more often. In a country that doesn't even provide basic health care to its people, people who can't afford hefty medical fees may not get the care or medicine they need when they need it most. And your grandmother is right: if you don't have your health, you don't have anything. It's a process of being stuck, and everything around you conspiring to keep you stuck.

But when it comes to poverty, things stay the way they are because people don't know their options. When people reject the lies they've heard all their lives and start looking for a way that really works, they find their way out of poverty. They really, truly do.

## CHAPTER TWO

### FOUR RULES TO LIVE BY

We've already covered the stupidity of the advice to "pay yourself first" when you can't even make the rent. When you're working a minimum wage job, you aren't going to be putting ten percent of your hourly pay into a nice, solid bank account: the bank usually has a minimum savings account requirement of a hundred bucks. You're probably going to spend that 65 cents an hour on something like food. And that's the way it should be. There are two main things we need before we need anything else. Food and shelter. These are the two things that must be provided for before anything else.

One of my night jobs during school was at a crisis nursery, a place where people brought their kids when they thought the children were at risk of being harmed. Mothers who needed a serious break, women hiding from abusive partners, parents who were in the midst of a family crisis, addicts who needed to ditch the baby for awhile and wanted to know the baby would be safe. They brought their kids to the nursery at all hours of the day or night and we took care of them until their parents picked them up hours, or days later.

One of the parents who used our nursery every day for several months was a father of a three month old baby. The mom was a junkie and out of the picture: the baby was adorable; the dad was clean and sober but homeless. Every day, he wheeled the stroller to the nursery and left his son with us while he went job-hunting. Every evening, he picked the baby up and took him

back to the homeless shelter. Pride wasn't an issue: he was doing what he knew was best for his child. He was keeping him safe and warm and fed and sheltered. And eventually, the man got a job and took his baby home for good.

When you have kids, their first needs are food and shelter and love. Your love means you're going to find a way to feed them and get them a safe place to live. When you're on your own, you should be thinking about yourself the same way. Until you are eating your three squares and living indoors, paying off loans, buying a car or even getting new jeans are out of the question. So Real-Life Rule Number One for Beating Poverty is:

### **Rule #1: Feed Yourself First**

And I don't mean on McDonalds or KFC or Burger King, because that stuff isn't food—it's non-food. Anti-food. It's cheap and easy to get, which is why poor people eat it. Ever wonder why the fast food places congregate in the poor parts of town? They're counting on people without much money to stop in for a cheap bite to eat. But that mass-produced processed food-like substance doesn't fill you up for long, and in fact, it leaves you hungrier than when you started. There's little in it that's actually nourishing for your body. It's full of additives and preservatives and salt, sugar and fat. Poor people tend to eat lots more fast food: they also tend to suffer more diabetes, obesity, heart disease and cancer. It's not an accident: in fact, some people say it's a conspiracy.

So forget the Happy Meal and truly feed yourself what your body needs. If you have two dollars, buy a big can of beans and a pound of rice. Preferably brown rice, which is the whole grain, and healthier for you. In ancient China, when people became wealthy, they switched to white rice, which was thought more refined. Peasants still ate brown rice, and were consequently healthier than their rich neighbors. White rice has had the fiber and vitamins that occur in the outer fiber coat polished off:

what's left is a starch with little nutritional value. Brown rice fills you up better, gives you more nutrition than white rice, and, mixed with beans, creates a protein that builds muscle and sticks to your ribs. A pound of dry rice makes two pounds once it's cooked, so you'll have three or four meals out of it. If you have three dollars, buy some broccoli too. It's not sexy, this food, but it's healthy. It will fill you up and keep you healthy. It will feed you several times, while that Happy Meal will be gone in ten minutes.

Two-fifty will buy you a dozen eggs –eighteen in some places. You can buy a cup of almonds at a health food store for about \$2.50, and they make a great mini-meal because they're loaded with protein and good fat, and they don't have any weird additives to mess with your body chemistry. The protein will keep you from getting hungry longer—in fact, a handful of almonds helped a lot of people stick to the Atkins diet and lose weight when they might otherwise have succumbed to sugar cravings and the Twinkie blood sugar rollercoaster that makes you even hungrier than when you started. Nuts cost more than candy bars, but they last longer and give you better value for your money. Plus, every time you eat something that's good for you, you're investing in your health. A lot of what goes wrong with us is directly related to diet, so if you have a good diet, you have greater potential for excellent health.

In general, the less messed-with it is, the better food is for you. A Twinkie is made of air, sugar, fat and a slew of chemicals. An apple is fiber, vitamins, water and sweet, natural taste. Apples, carrots, celery, bananas—how can you go wrong with food like that? Sure, we crave junk food, but it doesn't do right by us. You buy a Twinkie for 75 cents and eat it in two minutes, tops. For the same amount of money, you can buy two apples, or  $\frac{3}{4}$  of a pound of rice (which will cook up into 1.5 pounds), or a pint of milk. Buy real food and not only will you be getting more bang for your buck financially, but you'll be feeding yourself quality

food. You know what Madonna eats? What her expensive, highly trained chef prepares for her on a near-daily basis? Fish. Just a little broiled fish and steamed veggies. Madonna, after years of dieting, with the costliest ingredients at her fingertips, who can have anything she wants, more often than not, eats fish. If you live near the ocean or if your supermarket has a decent frozen food section, a fish fillet makes a fine meal of high protein, low fat, filling, nutritious food. If you live in a place where "fresh fish" means "maybe you won't get food poisoning if you eat it immediately", you can resort to canned tuna. Yes, it has mercury in it: most fish does these days. We're all still eating it, and it's tasty and filling: high protein, low fat. If you tend to be too skinny, get the oil-packed tuna: if you tend towards being chubby, get the water-pack.

Prepared foods cost more per ounce than fresh ones. Someone has to pay for the chemicals, the additives and the packaging! And that someone shouldn't be you! Raw foods, whole grains and fresh veggies and fruits are real food. The simpler the food you buy, the better you'll be eating. It may take some more prep time, that's true. But then, if you can boil water you can cook rice and veggies.

Notice that I'm not talking about organic foods here. It's true that most of the foods I mentioned can be found in bulk at your local health food store. It's true that organic food is better for us all. But it still costs 2-4 times as much as non-organic food, and when you're hurting for money, cutting down on your food intake to eat organic doesn't make sense. If you have dirt and seeds and can grow a garden, organic food makes perfect sense, since you're also not spending money on chemicals. But if I have to choose between two pounds of non-organic apples and a half pound of organic ones, I'll probably take my chances and eat more apples.

## **Rule #2: Get a Mentor**

This may sound absolutely crazy, but there's a reason for putting "Get a Mentor" right after "feed yourself first". Poverty is a great, big hole, and it takes a lot of energy and time to scramble out of it. Imagine standing in a hole that comes up to your shoulders, your neck. Would you rather try to work your way out on your own, or would you like someone to lower a rope or a ladder down to you? Unless you really like to do things the hard way, you're going to want someone to lend you a hand. In a way, this book is a mentor, but it cannot take the place of a living, breathing person who cares about what happens to you and wants to help. There is no substitute for someone who cares.

You may believe that there's no one on this our Earth who will give you a hand. You've probably run into all kinds of people who have told you "no", either sadly because they can't be of help or coldly because they're thinking, "I've got mine, and you aren't getting any of it". You're going to keep running into those people—they're everywhere, and with more and more people facing poverty, you're going to find a feeling of lack everywhere you turn. But, and this is a big but, there are still people out there who can be of help and who want to help. People need to help each other in order to make their lives meaningful: there's no better way, in fact to put meaning into your life than by helping someone else. Your task is to find the person who can help you.

One of the worst things about being poor is the way you're forced to distrust people. Part of it is common sense: if you leave your wallet beside your cot in the shelter, there's a good chance that someone whose condition has overwhelmed his or her ethical ideas will relieve you of it. But let's not lose perspective: if you leave your wallet in a nice, middle class grocery store, chances are that some nice, middle class person will consider it a windfall and take it home. There are dishonest people at all levels of society. But there are also honest people,

kind people—don't forget that. When you forget it, you leave yourself vulnerable to distrust and despair in your fellow man and woman.

You need a mentor not only because right now you're unaware of your options: you need encouragement at least as much as you do information. Poverty is grinding: it wears you down. But with the friendship and goodwill of others, you'll find it easier to fight and win your battles. You'll gain energy by being with people who believe in you and in what's right. When you have energy and optimism, you can keep plugging away at something that would defeat other people. Most of overcoming poverty involves being persistent, but many impoverished people can't persist because they are tired and discouraged.

To get practical, where will you find a mentor, someone who will help you out of the struggle against poverty? Look for someone who is kind and who has information. That's all you need: someone who give you the information you need and who'll be supportive and encouraging as well.

Look for your mentor at social service agencies, church related organizations, homeless shelters, food banks, drug and alcohol centers and anywhere else people congregate to help each other. You're not looking for cash donations: just someone who can help you get access to the information you need. You may find that your mentor has practically no money at all, but is more than willing to share ideas and support with you. There are many people who live in near poverty in order to be close to the people they want to help. Social workers often have ideals that send them into the slums to help people. Your mentor may not be able to get you actual cash in hand, but if you find someone who's willing to fill out forms, hunt down employment or find you a sandwich at a crucial time, you've found someone important.

Don't let distrust stop you from getting help. If you suffer from a mental illness, this is especially hard, because you may have learned through experience that many people cannot be trusted. But if you find someone who seems willing to help get you a place to live, something to eat and something that supports you in your life, take that outreached hand.

### **Rule #3: Find a Safe Place to Live**

Now we're venturing into tricky territory. How do you get a safe, decent house when you don't have enough money for a deposit, much less rent and forget about a down payment and a mortgage! You may be on the street: homelessness is one of the worst crimes perpetrated on the American poor in the history of the country. Most homeless people are in the city, and the shelters in the city are usually full. And rents are higher in the city, so even with roommates, it's hard to get a place, if not impossible. But living indoors is a major priority: it's right up there with feeding yourself. When you don't have a home, it's hard to effectively do anything else. You don't have a place for your clothes or stuff; there's nowhere to bathe when you want; you can't even fill out a resume because you have no address or phone to give the employer! So, before you do anything else, you must get a home, even if it's a temporary one. What are your options?

#### Shelters

If you're on the street, go to any shelter and if it's full, get a list of every shelter they know of. Ask if you can get a ride to an open shelter. A lot of people are on the streets because they are ashamed or afraid of the do-gooders who staff the shelters. (Thousands of people with mental illness were thrown out of hospitals in the Reagan years, and the various Bush's have seen no reason to right that wrong. One aspect of having a mental illness is in not being able to trust others, even when they are trustworthy. Don't let a habit of distrust keep you

homeless.)

If you have a mental illness, it's even harder to trust that people will help you, but you stand a better chance with someone who works at a shelter than you will with just about anyone else. People go to work for the homeless because they want to help—they're dying to help! Maybe they have a family member who went on the streets and disappeared, or maybe they're just aware that until we all pitch in and help, homelessness is still going to be an issue. If someone wants to help you, don't ask why, just say thanks and help them help you. If you're in a crowded place, the volunteers or agency people may be burnt out, and it may seem like no one can help, but hang in there. Give it a serious try, and if it doesn't work, keep looking: somewhere out there is the person with the information and willingness to help you. Find that person and help him or her become a better person still by helping you.

Make a commitment to getting off the street. Sit down with a volunteer and a phone and go through the list of shelters until you find one with a place for you. Forget about all that "I'm never going to a shelter" crap: that's what they're there for. And most shelters have other helpful services that can help you get food and maybe even a more permanent place to live. It's a hassle getting off the streets, but you have to do it. **You just have to. And it's possible, it really is!** So, find a willing shelter worker and indicate your very strong feelings that you are meant to have an indoor home. Search all your local options, and if every place is filled, get the shelter folks to call other shelters outside the county until there's a place found for you. If you have to leave the city, so much the better: it's a lot easier to be poor when you don't live in the city. A shelter isn't failure and it isn't forever: it's a first step. Some people move from shelters into group homes or subsidized apartments, because once you get into the system and have social agency people working for you, you can get closer and closer to your goal.

Once you have a place to live, finding work becomes infinitely easier. Get off the street. Get into a shelter and get some help and then start working on a plan for a permanent place to live. You deserve to live indoors!

### Stay with Friends

When I moved to the Bay Area in the late '90s, it made me sick to see the fully employed dot-commers who made it onto TV news because they were "homeless" and sleeping in their \$60,000 cars. Yes, the housing situation was tight: there were virtually no apartments for rent and the few that did open up had rents jacked up so high by greedy landlords, that most people couldn't afford them. I wanted to vomit at the "new homelessness"; where people who made more money in a year than most people saw in five were finding it impossible to get housing. It wasn't too rough for most of them: they moved into the areas north of San Francisco and commuted. Big deal. What surprised me was that someone would go on TV and basically admit that the people they worked with, the people they met in bars, the people they dated, and all of their friends, wouldn't spare a corner of a room for them to sleep in. Wouldn't let them have the couch for a couple of months.

When I was sixteen, I wanted more than anything in the world to get away from my family. It wasn't an especially horrible family, but they made me miserable and I needed to escape. A solution presented itself when my friend Linda, who was a year older than I was, invited me to stay at her apartment with her and her roommate, who had recently had a baby. Linda was working at a lumber mill and saving money to go to college; her roommate was just returning to get her GED since the birth of her baby had cut off her last year of high school. I went to live in their two bedroom apartment, sharing the rent. I think my share was \$80 a month, which I paid from the money I made waitressing after school. I slept on the couch in the living room.

In the morning, Linda was up first, for her mill job. She got up at something like 5:30. Around 7:00, the new mom got up, fed the baby and then left him cuddled up with me on the couch while she showered and got ready for school. There are fewer things more delightful than waking up with a baby someone else has already washed, diapered and fed; a baby who just wants to coo and chuckle and be held. Just about the time they left, I could get up and get ready to start my day.

It was a long time ago, and it only lasted a couple or three months, (I ran out of money) but that may have been one of the happiest times of my life. The comradeship of two other girls, the excitement of making my own way, and the safety of having a place to go and people to go to made for an ideal transition from my parent's home to the outside world.

I think that people forget that staying with friends is an option when times get tough. Maybe we think that being grown up means being "independent", and that it's only okay to live with other people if they have a free guest room and extra towels. Truth is, none of that stuff matters: you can make a pallet on the floor, crash on the couch—hang up a hammock, for crying out loud! The point is this: sometimes we say no to things that would be good for us because something inside says that we don't deserve good things, or we don't want to be indebted to someone for helping us out. All that stuff is garbage: if someone offers you a place to stay, thank them and get right over there. Naturally, you will be as helpful and considerate as you can be; you won't want to cause them trouble or to take advantage. But never turn down a helpful offer from someone who cares enough to make it.

### A New Look at Accepting Charity

Buddhists have a terrific way of explaining the notion of

charity: if someone offers you something, you have a duty to accept it. By accepting charity with grace, you give the other person the opportunity to "acquire merit"—to rack up some karmic brownie points. When a Buddhist monk holds out a begging bowl, he isn't embarrassed at asking for food: he's giving us the chance to become better people by being charitable. In that way, both people are being charitable, aren't they?

### Tap into Your Religious Community

One of the better things you can do for yourself if you have any religious feeling at all, is to become a member of a like-minded church or temple. Religious communities are terrific social networks, and people are more inclined to help each other when they know they share some of the same values. Plus, when you belong to a church or temple, you can be assured of seeing the same group of people on a weekly basis, and some of them will become your friends and allies. There are often places to stay that you would only discover by being a member of a church, because the people who have the places don't advertise them except to people they trust.

Religious organizations are also helpful whenever you need to start a new life. Many churches provide food, toiletries or sometimes work or cash to members who are going through a rough patch. People talk to each other, so that if you are job-hunting and it's known in the community, you will get an interview before someone from outside the community would. Obviously, this also depends on your character: I'm writing this book assuming that the people who read it are impoverished in finances but rich in personhood. (Sometimes there are people who use religion to get whatever they want from others under the guise of being pious or righteous: they have their own methods, which we could not cover here. Those people are usually ruthless enough that poverty isn't a problem for them, anyway.)

This one is a long shot for most of us, but for some people with a strong religious background, there may be a solution to unemployment and homelessness in the pursuit of a religious vocation. While many religions require a college education for entry into the ministry, the Catholic church in particular is hurting for nuns and priests. Many convents have closed or become retirement homes for aged nuns because the numbers of women entering the convent have slowed to a very slow trickle. Obviously, if you don't have strongly religious beliefs, entering a convent is not going to prove satisfying, and since many orders embrace poverty, obedience and chastity, you may be stepping from the secular frying pan into a holy fire. But for some people, it's a wonderful life of devotion and a certain amount of security.

Buddhists also have monasteries, which you can stay at for shorter periods as a lay brother or sister, and then make final vows some years down the line as the Catholics do. Depending on where you are, there may be educational requirements, but in some places all that matters is that you seek a particular kind of life. Physical comforts are small in most Buddhist monasteries, and as in most religious communities, you may have trouble entering if you have health problems. The rigorous schedule followed by most monastics may tend to increase physical problems, since heating and comfortable beds aren't usually the focus of the lifestyle.

Other faiths have places for people who want to minister to others, spread the word or just pray. If your religion means something to you, visit your local clergy person or get a book (or go online) and find out how to go about becoming a monk, nun, rabbi or priest.

[Find Live-In Work or Work with Housing](#)

## *Domestic servant or Au Pair*

When you can find a situation that provides you with a job and a place to live, you've pretty much got it made. Many such jobs are caretaking or servant positions: nanny, gardener, chauffeur, caretaker, housekeeper, cook. You would be surprised at what people with money will pay when it comes to taking care of their house, cars and children: a life as a domestic servant can be interesting and financially rewarding. You will need references, and if it's your first attempt at this kind of job, you'll have to settle for personal reference rather than employment records. Also be prepared to be bonded, and if you work with children, your employer will want to have your background checked, so your police records will be scrutinized. If you have a criminal background, these jobs are probably not for you.

## *Caretaking*

If you haven't done any of this kind of work before but know you can scrape up some good references, you may want to start by looking at caretaking positions. Sometimes people need someone to live in or near their property and just watch out for it. Clean the pool, make sure the pipes don't freeze, prune the trees, that kind of thing. If you aren't prepared for a job as an estate caretaker (someone who works for rich people), you may be able to trade your handyperson or babysitting skills for a place in a household where people need help but can't afford to pay in cash. In this case, you'll still need a job that provides you with some actual money, but at least you'll have a ready-made home and an address to put on applications.

## *Elder Care*

There is a growing need among elderly folk for people to live in, do some cooking and cleaning and generally watch out for the

senior citizens. There are people who can't do everything they need to stay in their own homes, but who want to "age in place" as long as possible instead of going to a nursing home. You can take basic first aid and CPR courses through your local unemployment department, and then make yourself available as a companion-aid to old folks.

### *Housesitting*

House-sitting is another possibility for finding housing on a temporary basis. Again, references are very helpful, but you may hear of someone who needs a house sitter while they're away. There are websites like [www.mindmyhome.com](http://www.mindmyhome.com) where people advertise for someone to come stay at their house and take care of their pets or animals. Now, transportation cost may be an issue, but you might find someone who's willing to pay your fare to get a reliable, conscientious house sitter.

### *Cruise Ships*

Other live-in work includes working on ships. Oil tankers and cargo ships often need crews, and some companies provide training and advancing education for crew members. Cruise ships have a reputation as providing lousy accommodation for crew members, and some of them have had trouble with drugs. That said, there are also good ones, and since the room and board comes with a paying job, you may find yourself in a good situation. If you can avoid bad company and make your way up the employee ladder, the cruise ship lifestyle might be a lot more fun than hanging out on land.

### *Military*

I didn't want to list the military here, but it's an option you should know about. The problem with the military is that, once you've joined, your time and your body no longer belong to you,

and Uncle Sam may decide to send you who-knows-where to blow up civilians or fight internal civil wars or patrol the Arctic, and there's very little you can do about it unless you prefer to spend your enlistment in prison. Make no mistake: if you join the military and don't like it, and want out, there's a good chance that the military will send you to jail. Maybe I should list prison as an option after the military, but I guess I won't. I'm hoping for you to have quality of life, and prison doesn't work that way.

The upside of the military is that if you can get in and stay in and if the lifestyle doesn't bother you, you can achieve a moderate standard of living. At the very least, you'll have housing in a barracks and free food, and that's not something to sneeze at. If you manage to avoid bloodshed and war, it's possible to make a very nice career in the military. The Air Force has the highest standard of living. I once had the opportunity to compare the Navy base at Pearl Harbor with Hickam Air Force Base, both on the island of Oahu, in Hawaii. The Air Force won hands down for services, aesthetics and general atmosphere, not to mention a lovely beach and cottage for rent at low rates to military personnel on holiday. The uniforms are more attractive, basic training isn't as horrifying and, although advancement is slower, the overall lifestyle is better. There are more opportunities for education in the Air Force, too. In order of ease, I would take Air Force, then Navy, then Army and lastly, the Marines.

### Stay with family

Some families are very close and value that genetic connection so highly that it would be impossible for a member to be homeless unless they just wanted to. Other families are so hostile or disconnected that first cousins can't recognize each other on the street. Whatever family type you come from, there may be relations who would be only to glad to have Bessie's little boy or Jesse's daughter come stay with them for an

indefinite period of time. They may be distant relations or your brother and sister-in-law. Again, this is a situation where the typical American response may be "no thanks, I'll get by—somehow". And in some families, that's the only line to take because the nature of the family connection is so unhealthy that it cannot support life. In that case, you have to say no. But to say no out of pride, or out of habit, or because you have some idea about making things work on your own—that's just crazy. If you were falling off a ledge and could choose between landing splat on the pavement or in the soft, bouncy safety of a fireman's net, wouldn't you take the net? When family steps up to the plate and makes you welcome, there's your net. Take it.

### Get Roommates

One of the most puzzling things in the world is to work in a place where everyone there hates the boss and wants to quit, but no one "can afford it". I worked six long months for a publisher who was a mix of Adolph Hitler and a rabid warthog. He only hired women, whom he harassed with impunity. We hated him, all of us. But everyone was broke, because we were also poorly paid. The odd thing was, if we had all quit and pooled our resources by sharing apartments, we could have probably all found better jobs in a couple of months and been no worse off financially than we already were. But everyone had her own apartment, costing between \$700 and \$1000 a month, and for some weird reason, that was enough to keep us all enslaved until one by one, with great pain and anxiety, we told that creepy little weirdo what we really thought of his King Pervert act, and found other jobs elsewhere.

It's true that, no matter how much money people have, they tend to spend more of it than they're comfortable with. I recently wrote a book for a domestic staffing agency, and one of the stories was about a celebrity divorcee who couldn't imagine getting along on a half-million dollars a month. A month! Her budget couldn't take the strain—paying for dog-

walkers and massages and manicures and clothing and nannies and chauffeurs and chefs and on and on. But in that world, the world of a Los Angeles movie-star wife, giving up a weekly manicure was unthinkable (I know—I'm telling you this, but I still can't really grasp it myself.)

Let's take something a little more true to life. When you're used to walking to work and bringing your lunch in a bag and wearing \$8 Payless sneakers, it doesn't take long to get used to driving to work and eating lunch at Chili's and wearing \$20 sneakers. And once you're there, it feels like a real hardship to go back to walking and brown-bagging and wearing cheaper shoes. So, when you're used to having your own place, the idea of taking in roommates to help with the rent, or giving up your place to become someone else's roommate, seems like an awful sort of backsliding. But it's not, really. Roommates can seriously impact your quality of life—when they're crummy roommates. When they eat your cookies and leave rings in the bathtub and have sex in the living-room, roommates are the pits. But a good roommate is a gift from the gods. Suddenly, your rent is cut in half, you have someone who makes great grilled cheese, and Friday becomes movie night. Roommates can add to your quality of life in such a way that the loss of personal space becomes a small price to pay for the extra entertainment, the company, the feeling that there may be one more person in this old world who is on your side. And with the extra rent in your pocket, maybe you can afford to quit your lousy boss and look for a job with a human being. Or maybe you can just eat something other than pasta for a change.

### Move to a Cheaper Locale

Sometimes, people find themselves living in constant fear of not being able to make the rent because they don't even think about living outside the city, or outside Manhattan, or outside the Upper East Side. In fact, living in the city contributes to poverty because nearly everything costs more in the city than it

does in the suburbs or the country. One of the interesting things going on in America right now is more and more people moving into the countryside, and to the southern states. This change is directly due to the fact that Baby Boomers are getting older and looking for retirement, and they don't want to pay big-city prices for their retirement homes. Since they aren't working their city-based jobs anymore, there's no need for them to live in the city, where rents and mortgages are high along with crime rates, pollution, traffic and all the things cities are known for.

If you want to work at big-city jobs, then going to the city makes sense. But if you're not employed, you may do better to move to a smaller town and look for a job where there isn't as much competition. In a smaller town, you are more likely to find good deals on housing; local produce and small-town pricing makes eating less expensive; if you live in town, you can get by without a car because you can walk most places. Plus, if you're at all sociable, you'll be able to meet people more easily than you can in the big city.

Moving can be scary, and there are some places you shouldn't move to because you won't be treated well there. I would never live in Mississippi, where my father's family lives, because I was raised to believe in racial equality, and in Mississippi, that is a foreign concept that causes open hostility. Because of the bizarre atmosphere in that state, I tend to think that no one of any color should consider moving there, even if you can buy a house for under \$40,000. It's just not worth it.

I have a friend who is a history professor and who lives in a Hasidic neighborhood in Montreal. She likes her neighborhood, but is resigned to the fact that she will never become close friends with the other people on her street because she is so totally foreign to their culture—they could never accept her, or even have tea from her dishes. In fact, the men cannot by

religious law, even look at her, and the only time the women in her building have ever spoken to her was when they set their kitchen on fire on the Sabbath and had to come ask her to put it out, since they are allowed to do no work on the Sabbath. Because this woman has lived in Montreal for many years and has many other satisfying connections and friendships, she is comfortable with her situation, but imagine moving to a place where your neighbors believed you to be utterly pagan, unclean and a bad social influence!

All that said, moving outside the city can be a good solution to the problem of poverty. There aren't as many jobs, but there aren't as many people fighting for them, either. And jobs are like spouses; if you get a good one, you only need one!

#### **Rule #4: Be Persistent**

If there's one quality you need to have to move from poverty into relative wealth (which I will define as having the basics and enough left over for emergencies and eventual old age), it's persistence. They call poverty "grinding" for a reason: struggling to have enough is rough on the morale, physically and emotionally tiring, and hard, hard work. People tend to give up. You may encounter people whose job it is to help the poor but who act more as gatekeepers because there isn't enough to go around. These people say "No" a lot. They are discouraging, they always tell you there's no more left, that you don't qualify, to come back next week. They have found that telling people to come back in a week often drives them away for good, thus reducing the apparent need for goods or services. But there are goods and services, and if you continue to show up, you'll get some of them. But you have to show up, and return again and again.

If you've ever read the books on getting rich, you'll already have encountered this rule. You can get rich by persisting, or find

love or finish school. Persistent people run even though they don't have legs, and start businesses with no money at all and go right to the top at all sorts of things because they're always in there, swinging. It's sort of a rule of life: if you know what you want and continue to go for it in a determined and sustained manner, you'll eventually succeed.

## CHAPTER THREE

### YOUR EDUCATION

In general, I'm in favor of education. If you can read and do math, you have a lot more control over your life and what happens to you. You can make more informed decisions; you don't have to rely as much on what other people tell you is "true". I have a "good" education—a Master's degree. But I hated school, all except for maybe a year or two in college. I was bored. I took classes I didn't want to because they were required. I got a B.A. that did practically no good in earning me a living, and then a M.A. that burned me out and left me broke. And still bored. But without some of the things I learned unwillingly, I wouldn't be doing as well as I am right now. I learned about research and statistics, so when I had a few bucks to put into a retirement fund, I chose a good one (and not the one the broker recommended, either). Being curious and reading about a lot of things means that when someone calls and asks, "Can you write about colitis in horses?" I can say, "You bet!" What I don't know, I can learn, and that's probably the biggest argument for getting some education. It's not so much the facts you conquer as it is knowing that if you need to master a concept or a training routine, you can do it. Even a tedious education can build your confidence. And there are rules. To get nearly any job, you have to have graduated high school or have the GED. If you haven't done those things, you can at any time, because county education offices have free courses and tests to help you get the GED at any age. Once you have that credential, the world opens up, because you can get some kind of job with it.

## **Don't Get Cheated by the Dream of Higher Education**

A huge part of the American Dream is that, once you have a "good education", you can get a "good job". Along with that Dream (which started around the beginning of the 20<sup>th</sup> century, when factories needed more workers) came along some dangerous ideas that never have been entirely true and are now practically fictitious. The Dream of the Good Job included the idea that once you had that Good Job, you were set for life. The job meant security: as long as you worked hard, you could retire from that same job in twenty years, receiving a gold watch, a pension and a membership at the local country club. The fact is, that while a few people whose working lives took up the 1950's, '60's and maybe '70's did manage to hang onto their Good Jobs with the same company, most did not. Either people changed, wanting more money, better working conditions or a different occupation, or companies changed, preferring to let the experienced employees go and hiring new workers who commanded smaller salaries. My Dad is 71 now, and he always counseled me to get a good, secure job, so I wouldn't have to worry. What he didn't understand was the extent to which the world of work had changed since he was a young man. By the time I was old enough to get a job, companies were making it a practice to let go of their experienced personnel and hire inexperienced ones at much lower cost.

While everyone knows that the long-term cost of cheating your long-term employees out of their hard-won positions and training new ones who will undoubtedly leave the company in a year or two anyway is much greater than keeping your employees, paying them fairly and promoting them from within the company, companies no longer tend to consider long term costs as important as short-term strategies. Showing a quarterly profit to your stockholders is considered more important—you can hide the long-term losses over a period of

time, absorbing them into company costs, but if you take a loss in any three month period, your stockholders may desert you the way you deserted your employees. The fact that employees are no longer loyal to the companies they work for is not surprising—it's a direct reflection of the way the entire corporate world has been running lo, these past thirty years.

What the current corporate ethos means to those of us who don't want to be poor is that it's a mug's game to rely on any job ever being truly secure. You can lose your job at the drop of a hat, the drop of a cent in the share price, the drop of a hint of a merger. You can lose your job because your boss doesn't like your shoes, because you are a woman, because you are too young or too old, because of your ethnicity (even if you're Caucasian), because the HR people don't feel like ordering you a new chair. It doesn't matter if you are the most valuable person in the office, or if you regularly save your boss's ass at meetings. It doesn't matter if you're the only person who knows what's going on. Being indispensable is no longer a guarantee that you will keep your job, believe it or not. Believe it.

For those whose parents taught them the old American Dream, the fact that hard work and a great attitude are no longer enough can be overwhelmingly depressing. Understanding that one's job can disappear virtually at any moment causes the thinking person distress, and can be vastly demoralizing if you intend to try to earn your money within the normal corporate world. If you understand that our parents' embraceable Dream is dead, but still choose to make it in the usual US working culture, you will find yourself working with people whose personal work ethic includes being hyper-competitive, dog-eat-dog and generally mean-spirited about work. You can certainly try to claw your way to the top with the millions of others who have decided that the Dream requires clawing, or you can reject the Dream and create a new dream. That's what lots of entrepreneurs are doing these day—working for themselves,

making their own rules and refusing to sell themselves for a culture that has proven itself unreliable.

One of the other myths we encounter in looking at the world of work through corporate eyes is that when you work for yourself, you take a Big Risk. Any business expert will tell you that something like 85% of new businesses end within a year: a fact destined to bring a chill to the hearts of everyone convinced that the only way to work for someone you can trust is to work for yourself. And some people aren't comfortable working for themselves, it's true: they want the leadership, the hierarchy, the social structure, the 401K of working for an organization. But if you're thinking about choosing a lifestyle based on safety, think again about what entails a Big Risk. If you work for yourself, there may be days when you choose to keep working without the benefit of occasional meals. You may be broke, and you will be scared. But you'll never get fired.

Contrast this with the people who work at the local fast food place or supermarket. They are still broke: fact is, you can't make a real living on minimum wage jobs. Plus, they're doing a job they probably dislike, and a job with little to no chance of promotion. Their time doesn't belong to them: in retail, for example, most employers won't hire an employee who can't agree right off the bat to work both days of the weekend and nights as required. Does it sound like slavery to be dictated to as to when and how much you'll work while only earning enough to keep it together enough to go on working? It's slavery. Any time your job doesn't pay you enough to get ahead, or even enough to quit, you are a slave.

Now, you may be spitting mad if you are in fact making slave wages at a job that doesn't support you, and I don't blame you one bit. People stuck in dead end, low paying jobs are hit extra hard, because the jobs themselves aren't rewarding, yet they take up so much of your time and energy, it may seem

impossible to ever be able to do anything else. It's not impossible, but it's going to take a sustained surge of energy to get yourself free. And that's what you must do.

Now the next thing the experts will tell you about freeing yourself from the cycle of poverty is that the only way out is to get a college education. That's worked for some people: it's also failed for some people. Depends on the people, and the education, and the things that happen while you're trying to get free. The experts will tell you to get to college—that there's no hope unless you have at least a Bachelor's degree. But anyone with a brain knows that if you're barely making it at the 40+ hour a week, minimum wage drag, the chances of being able to pay tuition on your BA as well as supporting yourself while going to school are pretty slim. If you could go to college, wouldn't you already be there? Of course you would; school may be a stupid waste of time, but it beats the heck out of flipping burgers in a polyester pant suit.

I'm not saying you shouldn't get an education: I'm all for everyone knowing as much as they possibly can. I'm saying that it's a myth that a BA will pull you out of poverty, especially if you have to go into debt to get the BA in the first place. But what the experts don't know can hurt you. One of the things you have to remember about experts is that they've all got their degrees! And then they went to get advanced degrees in things like career counseling, where it is assumed that higher education is necessary to life, simply because higher ed is necessary if you want to become a career counselor. Experts forget that there are lots of other, affordable, legitimate ways to get an education that will result in your making money not in four or five years, but in six or 12 months. They've forgotten about the wondrous affordability of trade school and apprenticeship programs and even junior college programs that can set you on a career path without sending you wandering the halls of higher education until you either

collapse from hunger and fatigue or get disgusted and give up.

## **Avoiding Trade School Traps—While Getting a Trade**

There is a smart way to learn a trade, and there is a stupid way. The stupid way is to call one of those schools you see advertised on TV. The reason they advertise on TV is that they are counting on getting people who are watching TV because they're unemployed, and they are also counting on the fact that these people haven't been through the educational mill so they won't be as tough to lasso into student loans. Schools that advertise on daytime TV are private corporations with so much money that they can afford to buy television ads! Can you afford a TV ad? I certainly can't!

There are public schools and private ones. Public school is free until 12<sup>th</sup> grade, and community colleges are somewhat funded and much cheaper than state universities. State universities are usually much cheaper than private universities.

As for schools advertising on TV, schools that list a range of "careers" and offer to send you an informational packet are not publicly-funded schools: they are paid for by the students. Tuition is much higher than what you'll find at the local junior college, and sometimes the schools aren't even properly accredited, so that any certificate you earn wouldn't be worth the paper it's printed on once you've earned (and paid for) it.

There are two smart ways to get into a trade that requires some advance education. I highly recommend junior colleges. They usually have great teachers, smaller classes and low tuition costs. You can take classes one at a time, part time or full-time. All JCs are different, in that some have specialized programs in things like electronics or woodworking or even cooking. Some are known for their theater or music programs,

and are considered pipelines to LA or Broadway. The downside of JCs is that like other publicly funded institutions, they have residency requirements. Usually you have to have been living in the state for at least one year before you can get in-state tuition. If you just want to pick up some general education classes or learn a computer program, you can register at pretty much any JC near you. If you really want to study jewelry making, you may have to move to Maine to get the program at the JC you want. It's still going to be cheaper than going to a university, and you'll be working at your chosen trade much faster.

Junior college is also an excellent way to do something while you're deciding what to do next. Many people don't know this, but if you're a student, you get breaks on everything from gym and pool fees to health insurance. Sometimes you have to be a full time student, but sometimes you can be part time but pay an extra fee that will get you on-campus benefits. You can use the career center, use library services and computers, and find jobs on the campus job boards. Some JCs even have on-campus medical care. All that, and you get to take classes! Even if you don't especially want an associate's degree, if you have a few bucks, you may find that attending junior college is a worthwhile investment of your time. And if you qualify for veteran's assistance, welfare or unemployment assistance, your tuition may be covered all or in part. Get down to the college financial aid office and find out what they can do for you.

There are many occupations you can fast-track into from taking classes at a junior college. This is the place to go if you're interested in doing things like dental assisting or becoming a nurse's aid or working in a medical center as a filing assistant or office clerk or something like that. In medical occupations, you can start out knowing next to nothing and pick up the skills you need to advance along the way, either

through additional training at the place where you work, or by taking more classes at the JC. So, you may start out with an \$8.00 an hour job as a file clerk (and most of these positions you can get with your high school diploma), and then take a course a semester in anatomy or phlebotomy or business management until you've built up enough credentials to be considered for a higher paying job. And if what you really want to do is go into nursing, you're in a great place. The whole world desperately needs nurses. Run down to the local hospital or nursing home and take a job as an aid—but only at the place that promises you paid training to become a Certified Nurses Aid (CNA) after three or six months on the job. One of the ways to work your way out of poverty is to look for jobs that promise more—more money after a particular period of time, more training, more opportunities. If you start out emptying bedpans at a place where management doesn't value good employees, you could be emptying bedpans for the rest of your life—at the same wage you started with.

## Trade Unions

If you're looking at joining a trade that operates with established unions, you may be able to sign up with the union as an apprentice and take classes through the union. Some years ago when I was wasting my time in graduate school, I was approached by a woman who wanted to recruit me to be an electrician. It was the chance of a lifetime: the union wanted to get more women in training, there was plenty of funding, and after training, plenty of work until—until electricity becomes obsolete. She indicated that I could take classes for free and start working at an apprentice level right away. I would have leaped at the chance, if I weren't hopelessly un-electrically minded. I was certain I would kill myself or someone else within days. But for the right person, a situation like that is a godsend.

So, if you're interested in becoming a carpenter, electrician,

plumber, pipefitter, mason, bricklayer, or anything that involves building things and making them work, start by visiting the local union. They can tell you what programs they have, what sort of background knowledge you need, and what you can expect in terms of when you would start working. And guess what. Even as an unskilled laborer on a construction site, you're going to make more money than you would at McDonalds, and you'll be learning all the time.

## **When to Go to University**

There are many companies that won't hire you unless you have a BA. In some places, that's the criterion only because it suggests that you can stick almost anything for four years, or that you come from a background that could provide you with the common, middle class standard of education. Employers, like educators, often take a perverse pleasure in making sure the haves always have it, while the have-nots are shuffled out at the first opportunity. Requiring a BA from the start is one way of making sure people who can't afford college also can't have a better job. But when you look at starting salaries for, say a college graduate with a BA in English Literature, and a beginning electrician, you'll probably find that the electrician makes a lot more money. When you run into jobs that require a BA, don't start thinking the world is against you: just start looking somewhere else. Chances are that you'll wind up doing just fine without the degree.

The only time you really have to get to university is when you have chosen a career path because you love it and can't imagine wanting to do something else, and when that career requires a degree to get into the field. Engineering, accounting, teaching, nursing (as a Registered Nurse) and lots of other occupations are "professions", regulated and monitored by organizations whose job is to keep out anyone without the established credentials. You can't set yourself up as a medical doctor without having gone to med school and then doing

internships and residency and then passing the board examinations. It takes at least eight years to become a doctor. On the other hand, if you want to be a realtor, you can study for the test just by buying the materials. There are courses and seminars to take, and you do have to pass the test and pay some fees for a license, but you certainly don't have to get a degree to become a realtor. (In England, you don't even have to pass a test: you can just wake up and decide "Today I'm going to become a realtor". Then you can visit your local sign maker, put a sign up by your door and start visiting your neighbors to see who wants to sell and who wants to buy!)

Someplace between the eight or more years it takes to become a doctor and the months it takes to be a realtor, is the legal profession. Law school doesn't take as long as med school, and you can make as much money as a doctor without having to put your hands in other people's body cavities. You have to go to law school, and they can be tough to get into, but if that's what you really want to do, there's no other way to become a lawyer, so you'd best get to it. (Read on for what to do when you must get a degree but have no money to do it with).

## **School without Money**

I asked myself if I could write this chapter honestly, because my own experience with higher education was that it was expensive, tedious and time consuming. On the other hand, it's possible that my education gave me the background I need to be the writer I am today. I can't really say, because it's also possible that if I had quit university at 19 and started writing then, I might have won a Pulitzer by now. Who can say? But there are some people who must go to school because the career they want demands the right degree. And to the best of my ability, I will help you explore your possibilities. I'm not going to discuss Federal Financial Aid because any career counseling place at any college can give you the form, and how they decide who gets financial aid is a mystery to me. With the

military needing more and more warm bodies, financial aid cuts are inevitable: the government knows that one way to increase enlistment in the military is to decrease enrollment in school.

If you're starting school with a GED or diploma, the best way to begin is with your state community college. If you've recently moved, you'll need to have been in the state for at least one year to establish residency. You may need a state driver's license to show you've been there a year. It's worth it: out of state tuition is drastically higher than resident tuition. For example, the tuition for a resident student at Santa Rosa Junior College in Santa Rosa, CA, is \$1 per unit. For an out of state student, it's \$177 per unit!

When you're thinking about going to school, it pays to do some research first. There are schools where you can attend for years and years, then graduate and start your job search. There are some schools with relationships with organizations that provide internships and jobs for students. Get down to the employment office, your local library or the junior college counseling center and ask for help finding the books that tell you which schools have associations with companies so that a student who does well in school has a good chance of being hired.

Now, this is tricky stuff because lots of private schools advertise that they have pipelines to jobs, but much of the time this isn't true and the tuition you'll pay is a lot higher than it would be at the local junior college. "That's okay, you can get a loan!" the school academic advisor will carol. But unless you've got a guaranteed job right after school ends, you can't count on being able to pay off that student loan. And if there's a school that guarantees your employment after graduation, I haven't heard about it.

One of the benefits of going to junior college is that there are job boards and you may be able to find a job easier than you would going through the newspaper or hunting online. Especially if you aren't averse to things like gardening, babysitting, painting houses and other manual forms of labor, this can be a good thing because you may also be able to get a job that pays you under the table, meaning you don't pay Uncle Sam (and Social Security, Workman's Comp, etc.) But it also means that if you get sick, you aren't covered. Unless, that is, you did something smart and found the cash to pay for student health insurance. Find the cash: if you break your arm falling off a ladder, there goes the job and the medical expenses will be awful. In general, anytime you have a little extra money, health insurance is worth it. If you aren't in school, contact local HMOs and ask if they offer plans for low income people. You'd be surprised at how many do.

1. Find the school with an accredited but high speed curriculum. Less time means less money on tuition, food, fees. Find the school with a pipeline to jobs.

2. Become a resident a year in advance.

3. Get a job to see you through

4. Get a loan—parents, family, credit union, school loan

5. Document your lack of riches and apply for every scholarship you can find.

6. Never take a loan if you can get grant

7. Only work if you have to, so you can study seriously and get good grades.

The hardest thing about poverty is that most people don't fall into it: they're born into it. Very few people who begin with a

comfortable financial background suddenly find themselves scratching to make ends meet: it's the folks whose parents were poor to start with who find themselves behind on points before even getting out of grade school. It's not for lack of will, intelligence or ambition that keeps poor people poor: it's in large part due to the fact that the people who run the country have a vested interest in keeping other people poor. But you don't have to stay poor: you can find ways out. You might have to be creative in your living arrangements or work some strange jobs, but you can get out and acquire the basics you need for a healthy and happy lifestyle.

Although career counselors have all sorts of designations for job types, I can think of four that matter when you're looking at jobs in relation to educational requirements. Unskilled jobs, skilled or trade jobs, what I think of as "standard" jobs requiring at least a BA and professional jobs. The fifth job designation can cross all levels of education because it's the entrepreneurial sector where you can do anything as long as you're working for yourself. Artists fall into this category: so do window washers, writers, photographers, some hairdressers, and about a million other folks. Most of the people I know now fall into this category, and most of them don't own big companies but either work alone or maybe hire a few people to work with them on bigger projects. As a freelance writer, I fall into this category, which makes me supremely happy because it means I have no boss, and I like that a lot. If I am biased towards the entrepreneurial sector, it's because I've held jobs in nearly all the other ones and found them all lacking in providing me with what I need to be happy.

## **Professionalism and the Trades**

Maybe one of the biggest rip-offs of the American Dream is that, in order to be successful as a human being, you have to become a "professional". It's not even true that you have to be a professional in order to become financially successful—plenty

of plumbers, carpenters, hair stylists and auto-body repairmen do better than make ends meet: some of them are quite well off, which for the purposes of this book is a little excessive. But the Dream persists, and every year, thousands of young people who would be happier cutting hair or working on cars get packed off to university where they incur big debts in the form of loans, credit cards and wasted time. Parents are largely responsible for this: even a wildly successful tradesperson will buy into the myth that sending your kids to university will make them more successful than you've been. If parents started their kids out by teaching them a trade and then putting a down payment on a house, they'd save a fortune in wasted tuition and their kids would be working successfully and safely housed and building equity in a year or two.

I suppose it's slightly more understandable that parents in the professions (and by "the professions, I mean the standard —dentistry, law, medicine, university level teaching) expect their kids to go to university because that's what they did. Parents always expect their children to do more and better than they did, which is why so many kids don't like their parents much. I mean, how can you like someone who demands more of you than they ever did of themselves? Right? And for some kids, university is just the right place: they understand the expectations, can afford the tuition, and have some sort of plan about what comes after graduation. But there are kids of professionals who would much rather be building houses or working with little kids or training dogs. Probably the greatest disservice American parents do their children is in not allowing them to learn practical jobs that, in the end, will earn them a decent living even though they may not increase the status or prestige of the parents.

The other major benefit of being a tradesperson is that you can work for yourself if you want to. When we talked earlier about job security, we arrived at the conclusion that the only truly

secure job is the one you can do yourself. If you can get laid off, or lose your job in a merger or get passed over for promotion, where's your security?

One other thing about being a tradesperson: when a particular place is booming, there is often an international call for carpenters, brick layers, electricians, plumbers and medical personnel. If you're not averse to a little adventure, you may be able to get a job by applying online to companies with bases or "camps" in the Arctic. Mining is big in the Arctic (there are health concerns about mining, so read up on it first). And the bases employ lots of people, so there are also support jobs available if you don't want to be a miner. The money is terrific, there's very little to spend it on, and the companies provide food, housing and medical care.

But don't go to a booking place without a certain job lined up. Some people have rushed out to Alberta, Canada in recent years because of the oil sands boom, but what they don't realize is that many of the jobs require previous training. With the boom in employment, housing became very expensive, so that lots of the people who just showed up hoping to work wound up not only unemployed but broke from the trip and homeless, too.

Some job examples in the five categories:

## **Trade Jobs**

Plumber

Electrician

Carpenter

Mason

Mechanic

Cook

Nanny

Hairdresser

Aesthetician

House painter

Dog groomer

Masseuse

Medical Transcriptionist

Certified Nurse's Aid

Dental Assistant

### **Art Jobs (Artsy Examples of Entrepreneurial jobs)**

Painter

Engraver

Photographer

Writer

Musician

Decorator

### **"Unskilled" Jobs**

Dog walker,

Delivery person

Barista

Waiter

Snow shoveler

Call center employee

Fish plant worker

Personal Assistant

House sitter

Pet sitter

Gardener

Office / file clerk

Wood cutter

Party or wedding planner

### **An Alternate Career: Marry "Rich"**

If you are determined to find your way out of poverty, and if like most people you don't picture going through life alone, at some point you are going to get married, or something close to it.

One thing that keeps the rich rich (and the poor poor) is the tendency, often enforced by family in the case of the rich, and by necessity in the case of the poor, to marry within one's socioeconomic class. You hardly ever hear about heiresses marrying plumbers, for example, or movie stars marrying baristas, although it sometimes works out that way. There are two things to say about marrying "up": one is that you should marry for love and love alone. The other, a line from the old movie "How to Marry a Millionaire" is that it's as easy to love a rich man as a poor one. Or a rich woman, for that matter. And there are people who have plenty of money, and would love to have someone to come home to at night.

The fact is, when we fall in love, we rarely take into account the other person's accounts—checking, savings or investments. The other fact is that most couples fight about two things: money, and sex. If you have money and enough sense not to live beyond your means whatever they may be, then all you have left to fight about is sex, which gives you a leg up, so to speak. It doesn't mean we should all run out and try to date up wealthy people—they have their own problems. But it does mean that if you have a choice between two lovely people and one happens to have better living circumstances than the other, you don't have a moral obligation to choose the poorer of the two. If you're attracted to someone who happens to have a little something in the pocketbook, you may be pleasantly surprised to find that that person could love you for yourself. Don't let your lack of funding prevent you from making a play for an accountant, the woman buying shoes from you, the fellow who always tips you \$2 on a cup of coffee.

Back when women of the middle class never worked, they had to marry for money, because that was the only way they might get any (and that's assuming they didn't marry cheap, selfish men). Men who married for money were considered bums. Now, everyone works, except the truly wealthy (and some of them work too), and the playing field is more level, romantically speaking. Women can and do marry men who make less money than they do. It's no longer true that two can live as cheaply as one, but two is certainly better if you have a mortgage to meet.

Remember, although it may seem impossible at the start, the leap from poor to comfortable isn't a huge one. My mother was raised in a migrant family from Texas. She helped pick crops in the fields of California until she was tall enough to lie about her age and go to work in a factory. When she left home, she joined the Navy, lost her southern accent, learned to walk like a movie

star, and, in 1956, met my dad. He was a Navy man with a good future, from a Mississippi family. His dad was a baker.

My mother never forgot what it was like to be really poor. She budgeted carefully, saved money whenever she could, and hoarded it. With a steady paycheck coming in, she did beautifully, because at last she had more than she needed, not less. Not a lot more, but plenty. She made it work for her.

By marrying my dad, my mother considerably raised her standard of living, and achieved economic security as well as the emotional security of a well loved wife. My dad gained a beautiful, intelligent and frugal partner. In the days when men were the primary breadwinners, my dad did what so many husbands did: he brought his paycheck home to his wife, who took money for the household expenses, put some in savings and gave him a living allowance. She paid the bills and balanced the checkbook. And when Mom passed away, Dad found that he had money he didn't even know about: money she'd saved by never forgetting what it had been like to have none.

So don't think you have nothing to offer in a marriage to someone who has more money. You have yourself and your wisdom and the attitude acquired from living without money. You have something to offer, and when times get tough, you'll have some ideas to make the most of the money the two of you have.

### **Another Alternate Career--Volunteering**

Okay, now you **know** I'm crazy! But, let's just say you don't have a job right now. Fine; you'll apply for whatever comes your way. You'll spend three days a week at the local employment department, not only to pick up unemployment checks if you're

lucky enough to have them, but also because your local department of employment usually has computers and resources so you can learn new computer programs, read about jobs, practice interviewing and acquire new skills. But on the fourth day, get yourself to a place where you can help others people. You might be reading to the elderly, packing food at the food bank or delivering magazines to hospital patients. Yes, I know you have no money and you're stressed. But when you get out and help other people, you're doing a lot more than you know. You are:

Networking. Some volunteers wind up with jobs at the places where they originally worked for free.

Helping other people. You are making yourself valuable in the world and making other people's lives happier and healthier.

Building your own health. Helping other people strengthens your own immune system and makes you feel better.

Learning new information and skills. Knowledge is power, and volunteering is a great way to get an education without it costing you tuition. Plus, many volunteer organizations pay for volunteers to get CPR certified or take other health, safety and educational courses.

Eating: Most agencies using volunteers provide snacks. Sometimes it's just cookies, sometimes entire meals—it depends on the place. If you're always hungry, volunteer at a food organization, so you'll get more to eat.

## CHAPTER FOUR

## A PERSONAL STORY

### **My Work History—"Career" As a Verb**

My parents were a little out of step when it came to understanding college life, but they were adamant that I should go to college and "make something" of myself. My college fund consisted of \$1,200, which lasted the first year. I wouldn't exactly describe myself as a trust fund baby! My dad sent me money in my last year of college, so I only worked one part-time job instead of three, and managed for the first time to get straight A's because I had so much time to study. I always worked while I was in school, and I went to college from 1981-2 and 1988-1996.

I've had dozens of jobs, many concurrently. I've waited tables, tabulated data, cleaned houses, walked dogs, worked with abused women and catalogued books. I've done phone sales, sold vacuum cleaners door to door and made and sold chocolates. The oddest job I ever had was working for a moderately eccentric but very kindhearted millionaire while I was in graduate school. I started out with a crew, painting a house that he owned and rented out to students. After that, I did some gardening for him, then started house cleaning his Queen Anne mansion that came complete with a dusty teddy bear collection, two Great Danes, a couple of cats, an African Grey parrot and later, a macaw. I did laundry, sorted closets, alphabetized an entire library consisting only of paperback mysteries. I stripped woodwork, weeded the pansy beds, dusted endlessly with a philosophical understanding of the futility in the gesture and generally had a wonderful time. Stuart didn't like to eat alone, so if you were working at mealtime, he'd take you out for lunch, usually to Chili's or to a fabulous Mexican place. I never ate better at a job.

I've had other fun jobs, many in graduate school where people always needed someone to enter data from sheets of paper into a spreadsheet. I don't remember ever being bored by that, although some people considered data entry to be sheer torture. It suited me fine. I could work at home and nobody bothered me, and people were grateful that I had done the job when so many others had backed away claiming to have diseases or term papers.

But I had a student job that was horrible because I worked for a maniac who discussed her sexuality in a loud voice, threw tape dispensers and sometimes made clients cry. The fact that she was supposed to be a liberal kept her from being fired from her position in a university-funded organization whose purpose was to keep students from being cheated by unscrupulous landlords. But she was crazy, and working for her made me feel hopeless and angry. She insisted that I be at work when I needed to attend the statistics lab, and my highly undistinguished grade in stats showed it.

I quit graduate school, where I spent six years studying to be a psychologist, when I realized my advisor would never let me finish my dissertation. I never could be sure if it was because she was getting senile or if she was annoyed with me for falling in love with a professor who led me on for a couple of weeks and then ditched me mercilessly right after proposing. I was devastated, and took an internship as far away from Illinois as I could get, traveling to Newfoundland, Canada for a year. I knew I could write a dissertation standing on my head—I write more than that every week, and the research was practically done. But I didn't think I could enter the Education Building at the University of Illinois again.

Everything else was done—even the required year-long internship and my doctoral exams. But there was no getting

around the dissertation and the fact that every time I sent in a revision, my advisor told me to change the things she'd had me change on the previous version. So, after a year of going back and forth, I quit.

In between finishing the internship and pitching the dissertation drafts into a convenient dumpster, I worked a job in incoming phone sales for Vermont Teddy Bear Company in Shelburne, Vermont. I loved that job. The pay wasn't great, but it wasn't minimum wage, either. I was making \$8 an hour. The work wasn't hard and sometimes was really fun. People called in to order teddy bears, and we set them up with the right bear in the right outfit and color. The supervisor was very easygoing, and most of the people I worked with had been around the job awhile, so whenever I had a question, someone had an answer. One of the perks was high quality chocolates from a company that partners with Vermont Teddy Bear: the supervisor would come around with chocolates every couple of hours and if you needed some in between, all you had to do was ask.

The main reason I liked that job wasn't the work itself. In fact, when I started, I didn't know if I'd be able to stand the job because I have always hated talking on the phone. Especially talking to strangers on the phone. But at Teddy Bear, the people I worked with were friendly and the management was unobtrusive. There were no freaky head games and no nasty surprises. No harassment, no crazy people doing upsetting things. It was a peaceful, clean existence at the Teddy Bear.

Maybe this is the long way to say that happiness doesn't necessarily come with a more prestigious job. I probably had more prestige as a doctoral student in counseling than I had as a teddy bear phone salesperson, but I had a lot more fun with

the Teddy Bear. And I was honestly gratified when I won an award for selling the greatest number of bears in December of 1998. I sold 115 bears that month and it was nothing but fun. Besides that, I volunteered with the conservators at a local and well-known museum, and I had a nice, cheap room in a big house with a great roommate-landlord, and satellite TV when I got home from work at around 11:30 each night. I discovered that prestige didn't mean a thing to me: I just want to be happy!

I know other people don't feel the same way. I have a friend who knows that I write for a living and that I love my work. He also knows I have a Master's in counseling and that I have thought about going back to school to finish my Ph.D.—just to say I finished, more than anything else. I don't work as a counselor and probably never will. But, knowing all this, my friend described me to someone else as a therapist. I know he did it to make me sound more important, which surprised me because I always thought most people would much rather be writers than therapists.

I think one reason people have trouble with money (you knew I'd get back around to talking about poverty eventually), is that they mistake not owning things for being impoverished. They think that they have to have a certain degree or a certain position or a certain kind of car, and if they don't have those things, then it's all a disaster. But if you've ever met someone who has no friends because he can't be trusted; if you've ever known someone whose kids avoid him; if you know a person with a little, mean spirit, you've seen real poverty. Monetary poverty can knock you down and bring out the worst in you, that's for sure. But an impoverished spirit makes people feel poor no matter how much money they have. They buy all sorts of stuff to try and feel better, but it doesn't work because, pretty much once you have the basics—food, your health, clean water, shelter, warmth—you've filled your real needs. In a recent book about happiness, a psychologist looked at the effect of having

money on people's happiness and he found that once the basic life needs are met, happiness isn't much affected by increases in money. He also found that people with lots of money aren't any happier than the rest of us. Happiness seems to be fairly independent of how much money you have, once your basic needs are taken care of.

Knowing this frees you up enormously, because you don't have to worry that you have to get rich in order to be happy. You can lower the bar quite a lot: get your food, shelter and adequate clothes, and you're set, happiness-wise.

## CHAPTER FIVE

### UNDERSTANDING MONEY

#### **Banks**

Let's get something straight right off the bat. Banks like rich people and try to ignore the poor. They will claim to be your friends, and they are—the kind of friends who ignore you until you win the lottery. Banks are owned by rich people—in fact, money itself is owned by rich people who decide what the dollar is worth each day, how much bread or oil it will buy and what will happen with it tomorrow. That's why, when you're really down and out, you can't just walk into the bank and get a loan. "Why would we give a loan to someone who has no money?" bankers ask, incredulous. "I'm afraid we can only lend money to people who already have money." To the rest of us, it sounds insane: why would we want a loan if we already have the money? Some of us are raised with the mistaken idea that banks are part of the government, and are there to help people. The first part is true: the second is not. Banks are insured by the government, but they are businesses, just like car sales or grocery stores. Banks make money by selling money at a higher rate than they get it for. That's why they don't like dealing

with the poor, who have a discouraging lack of money. It's nothing personal, it's just how banks are.

### Why a coffee can under the bed is cheaper than a savings account at the bank.

Yes, banks pay some puny interest on savings accounts, but they also have a nasty way of taking fees from you under the least pretext. Unless you've got ten million bucks, the 4-5% banks are paying out in interest on savings accounts isn't going to make any difference in your life. And if you have to drive to the bank machine to make a withdrawal or even take a bus, you're going to spend more money in transporting yourself to the ATM than you will be making on interest. So, if you have a hundred bucks, put it in a coffee can and shove it under your bed where it's hard to reach.

## **Credit Unions**

Credit unions are organizations often run on a cooperative basis by the members they serve, and they let you hoard your money and acquire credit under better terms than the big banks do. When you join a credit union, you may have to pay a small fee, but then you become a member and have some control over policies, something a bank would never allow! You may be asked to vote on policy from time to time, and because members won't vote for things that do them harm, the credit union is a pro-member type of organization. Credit unions tend to be able to make loans on better terms, such as lower interest rates, and often pay higher interest rates on savings accounts than ordinary banks. The downside may be accessibility: you might have to travel further to reach your branch than the bank around the corner, but isn't it nice to know that when you have a little money, you have a place to keep it where some great big bank isn't always trying to steal your pennies?

Now, the real upside to belonging to a credit union is that if you have no credit or bad credit, you can start to remedy the situation. You can find a credit union with a no-fee checking account much easier than finding a bank that won't charge you for the privilege of using your own money. A checking account makes life so much easier because you'll get a debit or check card and then you can pay with a card instead of always hunting around for cash. The benefit of using a debit card instead of a credit card is that the debit card won't charge you fees; credit cards do. In fact, credit cards will charge you unconscionably large fees for things like paying your account one day late, getting cash advances and buying things in foreign countries. A good rule of thumb for saving money. If you have a credit card and a debit card, and if there's money in your account, **always use the debit card.**

## Credit Cards and Interest

Now, the apparent upside to having a credit card is that you can buy something even when you don't have the money in your account. What too many people fail to realize is that, if you don't have the money in your account, you're going to have to come up with it sometime within the next month, or you're going to pay 15-35% more than you would have if you'd paid cash. Credit cards are for people who know the money will be there in a couple of weeks, or who know that their checking and savings accounts have the cash but who don't have access to the cash at that minute. If you're shopping online, you pretty much need a credit card unless you use Paypal, which is actually a much better idea. But Paypal works like a debit card: you have to actually possess the money at the time you make the purchase, or it won't go through.

And the world being what it is, people who have less money but good credit will get a lower credit limit than people with lots of money. It's the bank giving you just enough rope to hang

yourself with, financially speaking. Remember, as of 2007, the average American has over \$8,000 in credit card debt. Now, also notice this: 75% of the revenues (income) for credit card companies come from finance charges.

The average credit card interest rate is over 18%, which looks like this when you add it up. Let's say your credit limit is \$3,000, and you run up your card (for simplicity's sake) all at once, buying \$3,000 worth of widgets. And let's further simplify the situation by saying that your credit card doesn't have a monthly minimum payment, so you don't have to pay a thing for a year. That's a little weird, but let's start there.

What it means is, you're going to pay back the \$3,000 plus 18% of \$3,000, which is another \$540. So that's \$3,540 for your original purchase of \$3,000. But let's say you do have to make a minimal monthly payment each month until you pay off your principal (the \$3,000 you borrowed on the card): what will that look like? Let's say your minimum payment is \$15 a month.

|                 |        | Principal        |
|-----------------|--------|------------------|
| Interest Amount |        | Amount Owed \$15 |
| minimum         | Amount | Now Owed         |

As you can see, if you borrow \$3,000 and make the minimum payments for twelve months, you will wind up owing \$3,335.90. And you will have paid \$180, so that after a year, if you pay the entire amount owing, in addition to what you already paid, your initial loan of \$3,000 will have cost you  $\$3,335.90 + \$180 = \$3515.90$

This is the reason why most Americans are in debt up to their eyeballs. The fact is, that before you max out your credit card, no-one at the bank is going to sit down with you and show you that, unless you pay your total balance every month, you're going to lose a lot of money. And to add a new wrinkle, some

banks are planning a new way to steal your money: **some credit cards are actually charging people extra money when they pay their balances each month!** The bank's reasoning is infallible—how can they make big money if people insist on paying off their debts before they have a chance to increase? But the bank's reasoning is evil: **why in the world should we pay them to use our money?**

Banks use your money: did you know that? When you make even a puny little deposit—\$20, your bank takes that money and adds it to the zillions of other dollars in the bank's account and uses your cash to make loans to other people, to businesses, and to buy CDs, stocks and mutual funds, all of which go towards making the bank richer. And after essentially borrowing your money, they charge you for using it. If that doesn't make you keep your hard-earned under the bed, nothing will.

- <http://ask.yahoo.com/20040209.html> (credit card debt)

## **Borrowing from Friends or Family**

“Neither a borrower nor a lender be”, said Will Shakespeare (who was often broke). But was he right? Let's say that we're friends: I've known you for some years, and I like and trust you. And you need some money, and I have some money. You need \$200, which I have sitting in my bank account, which currently pays 3% interest. If I leave my \$200 there for a year, I'll make \$6. But you'll be able to pay me back in three months, and you'll pay me \$10 for the loan. I'd be a fool not to lend you the money, because I will earn more money on my investment in three months than I would in a year in a half with it sitting in the bank.

The only reason it's bad to borrow from friends or family is if you know you won't pay it back. In that case, it's a terrible idea, because you're burning some important bridges. There are

some cases where people loan money they don't really want to and then resent it even if it's paid back on time, or resent it even more if it's late. It's better not to borrow from someone who has money issues like that. But the reasons banks do so well in loans is that people don't trust each other either to make loans with grace or to pay them back with interest. If we trust each other, and if either of us has a little dough, we don't need a bank. Not only that, but we both make money off each bank-free transaction; me, by earning greater interest on my money, you by paying less interest to me than you would the bank.

The reason many Americans don't borrow or lend money to each other is a strange sort of national pride. There's a weird ethos in American that says it's better to suffer and starve than to ask for help, even from someone who can and will give it to you. It's a bizarre and destructive rule that has led to the rise of many financial institutions, because Americans will go to a professional bank before borrowing from their friends and families—even when everyone could benefit from the process!

## **Mortgages, Second Mortgages and Homelessness**

Definition: Usury: The lending of money at an exorbitant (excessive) rate of interest. (*Encarta Dictionary*).

Now, this is somewhat down the road, but it's good to know about money in advance of actually having any, so you can look out for the mistakes that cost so many people money they once had. It's about debt in general. Credit always costs you money. That's why so many people have been losing their homes in the latest mortgage disasters. When you buy a house and start paying on the mortgage, you grow what is called "equity" in your house. Now, because a mortgage is a loan, a large part of the payment is the interest on the loan, and a

much smaller amount is the principal, or the amount of money you actually borrowed. The interest you pay on your mortgage isn't included as equity: only the principal amount you've paid off is equity. So, if you buy a \$100,000 house and put \$25,000 down on it, you have \$25,000 equity. With your first house payment, let's say you pay \$1,000, but \$850 of that goes towards interest on the loan and only \$150 goes toward the principal. In that case, you now have \$25,150 equity in your house.

Banks make money by making long term loans to people to pay off high ticket items that most normal people can't buy for cash outright, like cars and houses. But another deadly banking scheme (or scam, depending on how you look at it) is the second or third mortgage, also called, "refinancing". Refinancing is when people borrow against the equity they have built up in their homes, and then pay another yet mortgage on that amount. And remember, when you pay back a mortgage, your payments are on much more than the amount you borrowed—they include years' worth of interest payments.

Second mortgages are touted as great ways to remodel the house, catch up on debt (ha-ha) or just have a little extra money in your pocket. Of course, it's hard to catch up on debt by adding another loan to the pile: basically, you're just paying more money to another lender. So, all those people who borrow money against their home equity because they don't have the cash to pay existing debts soon find they can't pay off that second mortgage. When they can't make their payments, the banks step in and take their houses away from them. This is called "foreclosure", so now the bank owns the house and the people have lost their equity as well as the place where they live. The house is put up for sale again, and all the money goes to the bank.

Imagine too, the fury of someone who spent \$20,000

remodeling their kitchen, only to lose the house to the bank, which can then resell the house for \$50,000 more because of that nice, new kitchen. And perfectly nice, respectable people who thought they were getting a little ahead are looking for places to live.

Credit is tricky because it makes us think we're doing better than we really are. Getting a bank loan you can't pay off is pretty much like visiting your local loan shark: one way or another, you're going to lose. But because the credit industry is tied in so strongly with the people who run the banks, the government isn't going to do much in preventing people from getting credit cards with high interest rates or loans they can't pay back.

## **Payday Loans**

If you think it's revolting that banks use millions from their advertising funds to convince people to take out loans they can't pay off, you'll also understand why payday loan companies are evil. It's evil perhaps on a smaller individual scale, but it's still wrong, and some states are paying attention to payday loan (also called check cashing services) companies because they are charging huge interest rates to their customers, who are almost universally poor.

If you haven't used check cashing or payday loan companies before, here's how they work. People usually use these places because they don't have bank accounts, either because they don't have enough money to start a bank account, or they're working illegally, perhaps as immigrants without social security numbers. You'll always find payday loan places in the poor parts of towns, and you'll also find them around military bases because young soldiers and sailors often live from paycheck to paycheck and don't bother to get bank accounts. So, they're providing a service to people, cashing their paychecks on the

spot, for a fee.

Here's the bad part. It's the fee. It's not unusual for a payday loan company to cash your paycheck of \$100 for a \$20 fee. So when someone goes to a payday loan place, they are paying a lot of money to get some of their money back. It's not just a 20% annual interest fee, which is pretty high even by credit card standards, because payday loans are usually due within a week. So, in fact, if you took out a payday loan for every paycheck for a year, you'd be paying  $\$20 \times 12 \text{ months} = \$240$  or 240% annual interest! The payday loan company justifies their sky-high fees by saying they're taking a risk by cashing a paycheck that may bounce, but they also cover themselves by taking all the information that a regular bank would to make sure the check is good in the first place. The only person who loses is the customer.

Banks being what they are (evil), many of them certainly do charge for their services. And if you don't have much money, they charge you more. It's true! My husband, who had a lot of savings compared to me, got free checking with his nice, chubby savings account. I had no savings, and not a ton of money to put into a checking account, either. I pay \$3.50 a month for my checking, or \$42 a year, just to write checks and use my debit card. Even with that, I'm paying a lot less for my banking than someone who uses payday loan services.

The good news is that there are banks and credit unions that provide you with free savings or checking and a debit card, even if you don't have a wad of money to open the account. You might have to buy checks, if you use them. Especially if you've worked your way into a job or are a student, and goodness knows if you're in the military, you have banking options unavailable to other people. Use them! And if you want to impress yourself and can manage it, take what's left of that \$20 fee per paycheck and deposit it in a special account. In a

year, you'll have \$240 that you would have otherwise given to your friendly local usurer.

## Finding Money

Finding money isn't easy, as I'm sure you know. But there are things you can do to minimize the amount you're paying out for necessities, and if you're not already trudging off to a job every day, it may be worth your time to find out about them. First of all, even in this age of cutbacks and cutthroat government policies, there are still assistance programs. There are:

- Food banks
- Soup Kitchens
- Head Start programs for children
- Literacy programs for adults
- School lunch programs
- Free or low cost health centers, such as Planned Parenthood
- Alternative child care centers, either co-op or church funded
- Free drug treatment centers
- Homeless shelters (with volunteers who can hook you up with other agencies and the rest of the organizations in this list)
- Social Security
- Food Stamps
- Exercise programs through hospitals, the Y or community health centers
- Housing Assistance
- Veteran's Assistance Organizations
- Energy Assistance

## CHAPTER SIX

## GETTING GROUNDED, AND STAYING THAT WAY

One of the problems experienced by people in poverty is that there's never enough time. It takes extra time to get to work when you have to walk or take the bus instead of driving; not having a fixed address eats up time in communications because you can't be reached by phone. A lot of the problems around time turn out to affect your access to the world and the amount of access the world has to you. The point is, you need a system that can help you get the things you need, and you need to be where the rest of the world can find you—at least the part of the world that wants to give you employment, tell you about a new grant you're eligible for, or find you that permanent place to live. And the easiest way to be accessible is to have a routine. Build yourself a schedule, and stick to it. Not only will it make your life feel more controllable, it will give you something to count on, and that can make a person feel stable and grounded and safe. Here's a sample schedule.

**Monday:** Pick up food at food bank, then go to employment office.

**Tuesday:** Employment office, then library in the afternoon.

**Wednesday:** Volunteer at the shelter for a half day, spend the rest of the day job hunting.

**Thursday:** Free GED course in the morning, study at employment office in the afternoon.

**Friday:** Employment office, library in the afternoon.

**Saturday:** Library, then volunteer at the hospital.

**Sunday:** Church or temple. Rest yourself, read and be at ease.

If you're regularly in the same place, you become a part of that place. I learned that lesson from a geography professor who

specialized in moving around a lot. As soon as he moved to a new town, he picked out a bar or café and made sure to go there at least a couple of times a week. He got to know the waitresses by name, and he usually ordered the same thing. Soon, he was a known part of that establishment: it doesn't take long to become a fixture if you're there regularly.

Most of us can't afford to hang out in bars or cafes, but when you spend a lot of time in one place, people start to expect to see you there. And they get to know you, so when a job comes up or their sister needs a new roommate, you're going to hear about it. It's another way of networking, and of building yourself a community.

## **ENDING YOUR POVERTY: THINGS TO REMEMBER**

Just tackling the idea of poverty is tough: tackling your own poverty is so much tougher! But there are some things you can do, some ideas to keep in mind, that may make the road a little easier. This isn't "abundance thinking": I've never seen an abundance thinker yet who was working for the poor! This is about focusing every day on what you need to make your life safer, healthier and happier. Not losing sight of your goals helps you reach them; hopefully, knowing that other people are out here rooting for you can also give you a boost when you need one. So, take the following numbered list as it's intended: not as an all-powerful mindset that will bring untold riches to your door, but as a day-by-day way of making decisions and managing your feelings about poverty and what it means to be rich in the ways that really count.

1. Care for your health: it's the most important thing you have.

It's a hard thing to grasp, because we take health for granted until it disappears. But when you're sick or hurt, there's nothing

more important than getting back to feeling good again. Take care of your body and your spirit by getting enough good, nourishing food, high quality sleep, enough exercise and plenty of clean drinking water. Stay warm and dry. Don't smoke, and avoid alcohol and dope. If you want to go all out on being healthy, don't drink too much caffeine and avoid sugar, too, and teach your kids the difference between real food and junk food, so they can be healthy too. If you have a mental illness, get help in the form of counseling, medication or both, so you can get on with your life.

## 2. Love is a Life Saver

People with strong friendships and loving mates live longer and healthier. Good relationships build your immune system and replenish your energy. Make your relationships with others a priority. It's not easy: it takes time and dedication. But it's worth it, and it's a lesson too many people have forgotten in their quest for more stuff and more money to pay for it. Take time to love others, to sit and chat, to help people and talk with your kids and we will all be healthier and happier for it.

## 3. Having stuff is not freedom: your stuff has you.

Having stuff means making payments on it, replacing it when it breaks, insuring it against theft, filling it with gas and dusting it regularly. Some people pay hundreds of dollars a month to store their stuff, because it won't fit in their houses. Stuff is actually a burden, but the stores don't want you to know that!

## 4. Being rich doesn't make you happy.

Research shows that once you aren't starving and homeless (generally guarantees of unhappiness), your happiness is all about you, not your finances. Unhappy people who get rich remain unhappy. Happy people who lose their money tend to

stay happy anyway. You can be poor and be happy.

## 5. Don't believe what the TV tells you.

A new car is not freedom, it's another loan to pay. Children don't need Ipods, laptops and their own cell phone accounts. The fashions change four times a year (in the '50s it was only twice a year), but most of us can just add or subtract a sweater and get by all right. Remember: the reason for TV and magazines is to sell things to people who don't actually need them.

## 6. Use your local library.

For one thing, books are expensive, and most people only read them once anyway. After that, they're just taking up space (the books, not the people). Most libraries can get nearly anything you want or need to read, and you can use them to do things like choose a healthier diet, cope with an illness, raise your kids better and learn to cook. Lots of public libraries even have computers where you can job hunt online. Libraries also usually have clean restrooms, air conditioning and heating, and sometimes even comfortable chairs. Some libraries provide free tax or legal assistance, or know where you can get free help.

## 7. Don't spend what you don't have.

When you go from having nothing to having a little something, the credit industry takes notice and offers you things like credit cards and car loans. Sometimes it's tempting to buy all the stuff you want right away, either from the fear or knowledge that the money you have now will disappear and it would be nice to have something to show for it, or because you're sick of feeling deprived and want to have a blowout. We all feel that way: it's natural. But be reasonable. If some nitwit offers you an auto loan you know you won't be able to pay off, it's not going

to hurt him one bit if you make a couple of payments and then have the car repossessed. It's your job to say "no thanks" to credit you can't afford. Have you seen that license plate? It says "Don't laugh: it's paid for". The reason so many American get into debt trouble and lose everything is that they start to think that credit means never having to pay it all back. In fact, it's just the opposite. Credit means paying it all back and then a lot more, for a long time.

## 8. Drink a lot of water.

You'd be surprised at how much money and how many calories you can save if you drink water instead of soda or coffee. Plus, water does great things for your brain and body, keeping them both running smoothly. Soda pop and coffee raise your blood pressure, give you sugar and caffeine crashes and contribute to diabetes and heart disease. We are about 70% water, so make sure you're getting plenty of it, or else your mind won't work as well as it should and your body will become exhausted and weak. Drink water mostly for your health, but you'll also save a buck or two each time you refill your bottle at the water fountain instead of hitting the vending machine.

## 9. Don't Give Up

Escaping poverty isn't the easiest thing you'll ever do, but it's the most important. It can be done: the leap from poor to moderately secure isn't insurmountable, even if it sometimes feels that way. Remember, you don't have to be "rich" to be rich—you just need food, shelter and your health. Get the basics, build a life with people you love and then, when your needs are being met, you can start that savings plan you've read about in all the retirement savings articles.

## **And a Few Things More...**

If something you read in this book works for you, inspires you, or helps you get to a new place in your life, let me know. If something backfires, doesn't work, or needs changing, let me know! If there's something I've left out that you think needs coverage, please let me know. This book is and always will be a work in progress.

A workbook will be coming along soon. If you're interested in getting it, let me know.

You can contact me by emailing me at [writeforyou@gmail.com](mailto:writeforyou@gmail.com).

I'm distributing this ebook for free. If it helps you get out of poverty and you wind up with a few dollars left over, feel free to send me whatever you want by PayPal.

## **Just a Few Resources...**

### **Websites**

Did you know that there is state funding that can help you pay your energy bills if you fit a certain economic criterion? It's called the Low Income Home Energy Assistance Program, and you can find it online at

<http://www.acf.dhhs.gov/programs/liheap/brochure.html>

Government Benefits Website

[http://www.govbenefits.gov/govbenefits\\_en.portal](http://www.govbenefits.gov/govbenefits_en.portal)

### **Books**

*Stumbling on Happiness* by Daniel Gilbert

*The Art of Happiness* by Dalai Lama